



WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

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LOGAN TOWNSHIP
OGEMAW COUNTY, MICHIGAN

FINANCIAL STATEMENTS
MARCH 31, 2004

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GLADWIN AND WEST BRANCH

RSM McGladrey Network

An Independently Owned Member

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name LOGAN TOWNSHIP	County OGEMAW
Audit Date 3/31/04	Opinion Date 7/7/04	Date Accountant Report Submitted to State: 9/10/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☒ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) WEINLANDER FITZHUGH			
Street Address 601 Beech Street		City CLARE	State MI
Accountant Signature <i>Shannon L. Wilson CPA</i>		ZIP 48617	Date 9/10/04

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PHILIP T. SOUTHGATE, CPA
ROBERT J. DUYCK, CPA

July 7, 2004

Independent Auditors' Report

Logan Township Board
Logan Township
Clare County, Michigan

We have audited the accompanying general purpose financial statements of Logan Township as of and for the year ended March 31, 2004. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Logan Township as of March 31, 2004, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

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LOGAN TOWNSHIP
Combine Balance Sheets - All Fund Types and Account Groups
March 31, 2004

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>
	<u>General</u>	<u>Tax Fund</u>
<u>ASSETS</u>		
Cash	\$ 88,367	\$ 34,071
Investments	32,470	0
Due from other funds	5,980	0
Due from other governmental units	0	7,905
Plant, property, and equipment	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 126,817</u>	<u>\$ 41,976</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>Liabilities</u>		
Accounts payable	\$ 6,226	\$ 86
Due to other funds	0	5,980
Due to other governmental units	0	35,910
Total liabilities	<u>6,226</u>	<u>41,976</u>
<u>Fund Balances</u>		
Investment in general fixed assets	0	0
Unreserved and undesignated	<u>123,478</u>	<u>0</u>
Total fund balance	<u>123,478</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 129,704</u>	<u>\$ 41,976</u>

See accompanying notes to financial statements.

Account Groups	Totals
General Fixed Assets	(Memorandum Only)

\$ 0	\$ 122,438
0	32,470
0	5,980
0	7,905
<u>353,382</u>	<u>353,382</u>
<u>\$ 353,382</u>	<u>\$ 522,175</u>

\$ 0	\$ 6,312
0	5,980
<u>0</u>	<u>35,910</u>
<u>0</u>	<u>48,202</u>

353,382	353,382
<u>0</u>	<u>123,478</u>
<u>353,382</u>	<u>476,860</u>
<u>\$ 353,382</u>	<u>\$ 525,062</u>

LOGAN TOWNSHIP
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual -
General Fund
For the Year Ended March 31, 2004

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
State shared revenues	\$ 41,500	\$ 39,400	\$ (2,100)
Property taxes	9,540	20,816	11,276
Administration fees	5,250	7,933	2,683
Dust control fees	0	2,916	2,916
Special assessments	1,954	2,251	297
Hall rental	3,500	1,388	(2,112)
Miscellaneous	410	999	589
Interest	900	485	(415)
Total revenues	<u>63,054</u>	<u>76,188</u>	<u>13,134</u>
<u>Expenditures</u>			
Current expenditures:			
General government	97,545	64,999	32,546
Public works	7,869	11,130	(3,261)
Total expenditures	<u>105,414</u>	<u>76,129</u>	<u>29,285</u>
Excess of revenues over (under) expenditures	(42,360)	59	42,419
Fund Balance - Beginning	<u>123,419</u>	<u>123,419</u>	<u>0</u>
Fund Balance - Ending	<u>\$ 81,059</u>	<u>\$ 123,478</u>	<u>\$ 42,419</u>

See accompanying notes to financial statements.

LOGAN TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Logan (Township) was organized prior to 1900 under the provisions of a local Act of the County Board of Supervisors, under Section 2489 of 1897, as amended. The Township operates a township board form of government and provides the following services as authorized by its charter: Public safety (fire protection), streets, public improvements, and general administrative services.

The accounting policies of Logan Township conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

A. Basis of Presentation

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Township resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Township are as follows:

1. Governmental Funds

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in a specific fund.

2. Fiduciary Funds

Trust Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

3. Account Groups

Account groups are used to establish accountability for the Township's general fixed assets.

General Fixed Assets – The Township maintains a general fixed asset account group to account for the Township's fixed asset purchases. Certain "public domain" infrastructure fixed assets such as roads, bridges, sidewalks and drainage systems are not capitalized in the accounting records as these assets are immovable and of value only to the Township.

LOGAN TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting

The financial activity of the Agency funds is limited to collection of amounts which are subsequently returned or paid to third parties and, accordingly, are limited to cash transactions. All governmental funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

1. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 and August 28 with final collection date of February 28 before they are added to the County tax rolls.

C. Total Column on Combined Statements

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operation in conformity with U.S. generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

D. Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

E. Budgets and Budgetary Accounting

P.A. 621 of 1978, Section 18(1), as amended, provides that local units shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the functional level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated as follows:

LOGAN TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2004

E. Budgets and Budgetary Accounting (Continued)

<u>Fund/Function</u>	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund:			
Public works	\$ 7,869	\$ 11,130	\$ (3,261)

NOTE 2 – INTERFUND RECEIVABLE – PAYABLE

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 5,980	\$ 0
Tax	0	5,980
	<u>\$ 5,980</u>	<u>\$ 5,980</u>

NOTE 3 – GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
Land	\$ 17,900	\$ 0	\$ 0	\$ 17,900
Buildings	134,369	13,729	0	148,098
Equipment	187,384	0	0	187,384
	<u>\$ 339,653</u>	<u>\$ 13,729</u>	<u>\$ 0</u>	<u>\$ 353,382</u>

NOTE 4 – CASH AND INVESTMENTS

Cash and Cash Equivalents

Deposits – At March 31, 2004, the carrying amount of the Township's deposits was \$122,438 with a corresponding bank balance of \$141,385. The amount covered by the FDIC was \$100,000.

LOGAN TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2004

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Investments

The Township has adopted a formal investment policy consistent with that authorized by Michigan Law. The Township can invest in bonds, securities, and other obligations of the United States or an instrumentality of the United States in which the principal; and interest is fully guaranteed by the United States, certificates of deposits, savings accounts, bankers' acceptances of United States banks, United States government of Federal agency obligation to repurchase agreements, money market mutual funds composed of investment vehicles that are permitted under state law for direct investment, and high-grade commercial paper, rated within the three highest grades by at least two national ratings services, the term to maturity may not be more than 270 days and no more that 50% of any fund may be invested in commercial paper at any time.

At March 31, 2004, the Township had \$5,220 invested in certificate of deposits and \$27,250 invested in time share accounts.

REPORT ON OTHER DATA

July 7, 2004

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The other data listed in the index are not a required part of the general purpose financial statements of Logan Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

LOGAN TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2004

Revenues

State shared revenues	\$ 39,400
Property taxes	17,929
Administration fees	7,933
Dust control fees	2,916
Special assessments	2,251
Hall rental	1,388
Miscellaneous	999
Interest	485
Total revenues	<u>73,301</u>

Expenditures

General government

Township Board:

Trustee salaries	1,100
Township share - payroll taxes	1,767
Professional fees	4,174
Publishing	140
Insurance	7,338
Dues	534
Miscellaneous	460
Total township board	<u>15,513</u>

Supervisor:

Salary	3,550
Miscellaneous	25
Total supervisor	<u>3,575</u>

Elections:

Wages	364
Supplies	66
Total elections	<u>430</u>

Clerk:

Wages	4,717
Supplies	688
Education and training	380
Total clerk	<u>5,785</u>

Treasurer:

Wages	5,203
Supplies	968
Contracted services	748
Education and training	180
Total treasurer	<u>7,099</u>

Cemetery:

Supplies	80
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LOGAN TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2004

Expenditures (Continued)

Board of Review:	
Fees and per diem	\$ 263
Education and training	202
Total board of review	<u>465</u>
Assessor:	
Contract fees	<u>7,315</u>
Township Hall and Grounds:	
Wages	6,838
Supplies	628
Hall and grounds repair and maintenance	1,190
Equipment repair and maintenance	120
Rubbish removal	147
Telephone	359
Electricity	2,832
Capital outlay	12,623
Total township hall and grounds	<u>24,737</u>
<u>Public works</u>	
Highways and streets	9,958
Lighting	1,172
Total public works	<u>11,130</u>
Total expenditures	<u>76,129</u>
Excess of revenues over (under) expenditures	(2,828)
Fund Balance - Beginning	<u>123,419</u>
Fund Balance - Ending	<u><u>\$ 120,591</u></u>

LOGAN TOWNSHIP
Statement of Changes in Assets and
Liabilities - Current Tax Fund
March 31, 2004

	<u>Balance</u> <u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2004</u>
<u>ASSETS</u>				
Cash	\$ 33,519	\$ 560,261	\$ 559,709	\$ 34,071
Due from other governmental units	<u>0</u>	<u>7,905</u>	<u>0</u>	<u>7,905</u>
	<u>\$ 33,519</u>	<u>\$ 568,166</u>	<u>\$ 559,709</u>	<u>\$ 41,976</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 0	\$ 2,265	\$ 2,179	\$ 86
Due to other funds	5,070	63,600	62,690	5,980
Due to other governmental units	<u>28,449</u>	<u>502,301</u>	<u>494,840</u>	<u>35,910</u>
Total Liabilities	<u>\$ 33,519</u>	<u>\$ 568,166</u>	<u>\$ 559,709</u>	<u>\$ 41,976</u>